

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 022

## SPI - Pupil Transportation

### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	490,745		490,745
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		713	713
Transportation Emergency Assistance	5,517		5,517
Pension Rate Correction	(1,122)		(1,122)
Enrollment/Workload Adjustment, SPI	898		898
K-12 Inflation	1,557		1,557
<b>Subtotal - Supplemental Changes</b>	6,850	713	7,563
<b>Total Proposed Budget</b>	497,595	713	498,308
Difference	6,850	713	7,563
Percent Change	1.4%	100.0%	1.5%

### SUPPLEMENTAL CHANGES

#### Transportation Emergency Assistance

State allocations to school districts for student transportation include funding for non-employee related costs. Although the formula used to calculate these allocations is responsive to changes in inflation as measured by the U.S. Implicit Price Deflator, the changes are delayed by one year. Recent increases in the price of diesel fuel have strained district budgets in the current school year. A one-time increase in the student transportation funding rate will help districts manage these increases.

#### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in a decrease in state funding for the 2005-06 and 2006-07 school years in the Student Transportation Program.

#### Enrollment/Workload Adjustment, SPI

School districts are reimbursed for pupil transportation based on eligible miles traveled transporting students to and from school. The reimbursable mileage is 8,203 miles higher than assumed in the original budget for the 2005-06 school year (from 4,917,686 to 4,925,889) and 20,781 miles higher in the 2006-07 school year (from 4,930,418 to 4,951,199).

#### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.